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Items for information: integrated economic statistics

Friends of the Chair

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session,** the Secretary-General has the honour to transmit the report of the Friends of the Chair on integrated economic statistics, which is presented to the Commission for information. The Commission is requested to take note of the report.

* E/CN.3/2010/1.
** See *Official Records of the Economic and Social Council, 2009, Supplement No. 4* (E/2009/24), chap. I.A.

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Report of the Friends of the Chair on integrated economic statistics

1. The Friends of the Chair group on integrated economic statistics was charged with building on the broad principles laid down by the initial Friends of the Chair group to construct a set of guidelines for integrating the data produced by both centralized and decentralized statistical systems. These guidelines should significantly increase the consistency, accuracy and relevance of data used by public and private decision makers, while at the same time aiding in more effectively utilizing the data that are currently collected. The group's goal is to complete these guidelines for consideration by the United Nations Statistical Commission at its forty-second session in 2011.

2. The 2008 Report of the Friends of the Chair group on integrated economic statistics (E/CN.3/2008/6) contained the following conclusions:

(a) The integration of economic statistics is about statistical reconciliation, that is, ensuring that the messages statistics deliver are consistent and coherent. Reconciliation covers primary economic statistics and macroeconomic accounts, short and long-term economic statistics and national and international economic statistics. In essence, it involves dealing with conceptual, statistical production and institutional issues. Human resources issues (increasing the awareness of statistical agencies' staff concerning the impact of their work on the overall statistical system) and information technology issues (adopting common technology) also play a role and must be considered in that context;

(b) The integration of economic statistics is mainly driven by users' demand for data consistency and coherence;

(c) It is neither possible nor desirable to propagate one single and detailed implementing approach towards integrated economic statistics because national statistical systems are different. There are, however, some general guiding principles;

(d) Institutional arrangements at both the national and international levels are important for the management of integrated economic statistics and should be part of the corresponding reform programmes.

3. The Friends of the Chair group made the following recommendations:

(a) The role of the *System of National Accounts* (SNA) as a coordinating framework for economic statistics (including at the microlevel) must be strengthened and taken into consideration in designing the implementation strategy for the updated SNA by the Intersecretariat Working Group on National Accounts;

(b) The Statistical Commission and the Committee for the Coordination of Statistical Activities, with the assistance of the Statistics Division, must strengthen the coordination among international institutions working in the field of economic statistics with a view to furthering the integration of economic statistics;

(c) The Statistics Division, in consultation with the Statistical Commission as regards terms of reference and in cooperation with the concerned international and supranational organizations as regards substantive work, should take the lead in developing more extensive and practical guidelines that would include case studies on practices of integrated economic statistics, drawing on the material assembled

and contributed for the work session of the Friends of the Chair group and the drafting of the concept paper;

(d) Further work should be pursued by the Statistics Division to guide the selection of areas in statistics where further integration would be useful.

4. In response to these recommendations, a second Friends of the Chair group on integrated economic statistics was formed to "take the lead in developing more extensive and practical guidelines" along the lines recommended by the first group. The group is moderated by the United States Bureau of Economic Analysis and its composition includes active members representing national and international organizations: Statistics Canada, Statistics Netherlands, Statistics New Zealand, Statistics South Africa, the International Monetary Fund, the European Central Bank, the Statistical Office of the European Communities (Eurostat), the Organization for Economic Cooperation and Development and the United Nations Statistics Division.

5. The draft guidelines that have been developed carefully build on the conclusions and recommendations of the first group, in particular:

(a) The draft guidelines focus on consistency and coherence in the full chain of economic statistics, from short-term indicators to national and international macroeconomic indicators. The full set of relevant conceptual, production and institutional issues are being addressed. These issues range from the use of consistent definitions, questionnaires, classifications, and sample frames to the use of consistent concepts and balancing techniques in national accounts. Human resource and information technology issues are also being addressed in the suggested integration strategies and case studies;

(b) Special emphasis is put on the importance of user needs in achieving consistency and coherence. Both text and case study examples are used to illustrate the importance of user needs in achieving integration. Understanding user needs will be important in helping countries target their scarce resources to those harmonization efforts with the largest returns from users' perspective;

(c) The draft guidelines present general guiding principles, as well as practical advice for the reconciliation of economic statistics, for the entire spectrum of statistical agencies, from those that could be described as highly centralized and able to control the entire production process — from sample frames to macroeconomic statistics — to those that are quite decentralized and must try to harmonize a wide array of data collected by different agencies using differing sample frames, concepts and methods;

(d) The draft guidelines use the *System of National Accounts* (SNA) and other international manuals as a coordinating framework and discuss the key role of coordination across institutions and countries in implementing the SNA and other guidelines in order to harmonize macroeconomic and microeconomic statistics;

(e) The second Friends of the Chair group on integrated economic statistics met in Washington, D.C., from 7 to 9 December 2009, to formally discuss the draft chapters submitted by members of the group for review:

(i) Lead authors who attended the meeting presented their draft chapters to the members of the group to discuss their consistency with the initial report and recommendations as well as further changes, and to clarify outstanding

issues. In addition, the group outlined a production plan for the next phase in the drafting of the guidelines;

(ii) The group is on track for delivering final formal guidelines for consideration by the Statistical Commission at it forty-second session in 2011.